

MINUTES

SPECIAL CALLED MEETING

METROPOLITAN EMPLOYEE BENEFIT BOARD

April 1, 2021

The Metropolitan Employee Benefit Board met in a Special Called session on Thursday, April 1, 2021 via teleconference at approximately 9:37 a.m.

Benefit Board members: Chair: Edna J. Jones; Vice Chair: Christine Bradley; Members: Stephanie Bailey, Kevin Crumbo, G. Thomas Curtis, Harold W. Finch, II, B.R. Hall, Sr., Shannon B. Hall, Jeremy Moseley and Stacey Rucker.

Others present: Christina Hickey, Metro Human Resources and Nicki Eke, Attorney, Metro Legal Department.

Chair Edna Jones called the meeting to order and stated that as a result of the Coronavirus pandemic the Governor issued Executive Order #16 and subsequently Orders #34, #51, #60, #65, #71 and #78 authorizing Boards to meet and conduct their essential business by electronic means if the Board determines that meeting electronically is necessary to protect the health, safety and welfare of Tennesseans in light of the COVID-19 outbreak. This Executive Order #78 will expire on April 28th. Ms. Jones stated that the first order of business will be a roll call to establish a quorum. She also stated that there needs to be a motion that the meeting agenda constitutes essential business and meeting electronically is necessary to protect the health, safety and welfare of Tennesseans in light of the COVID-19 outbreak.

Tom Curtis moved for approval. Stacey Rucker seconded and the Board approved without objection.

Ms. Jones also stated that each time a Board member, staff or other participant who is using audio only participation wishes to speak he or she shall identify themselves in a manner reasonably calculated to permit the public to ascertain the identity of the person speaking.

It was clarified that this is a Special Called meeting and not a Study Session and voting is allowed if that is what the Board desires to do.

BENEFIT BOARD ITEMS

The Human Resources staff submitted the following for the Board's consideration and appropriate action:

1. Study & Formulating Committee final report discussion.

Christina Hickey reported to the Board that this is a continuation and ask of the Board from the March Study Session to discuss the Medicare Advantage plan. Ms. Hickey stated that Angela Watts and Dan Plante, Deloitte, will be presenting today.

Angela Watts reminded the Board of Deloitte's role as consultant. She stated they provide recommendations based on experience and industry practices. She stated their recommendations and presentations are for the Board's consideration and any final decisions and actions taken are those of the Board. She also noted that any information presented does not represent the presenters personal opinions in any way.

Ms. Watts stated that at the March Study Session the Board requested further information to address some of the questions and concerns that have been brought up regarding Medicare Advantage plans related to how they work, how they are funded, premiums and coverages. She stated that the plans are provided by approved private insurance companies and paid for with federal funding/reimbursements. She stated the companies receive a set amount of federal funding from Center for Medicare/Medicaid Services, (CMS) and must follow the rules and guidelines that are set by CMS. She stated the premiums can vary by company, plan and benefits that are covered. She also stated that the Medicare Advantage plans in general include the same coverage as that original Medicare program plus additional benefits for members. Ms. Watts stated that the Medicare

Advantage plan as the sole option still provides choice of providers for the pensioners with Medicare and she reviewed how it would work if the pensioner chose a provider that is not in the network.

There was some discussion of Metro's self-insured plans versus a fully insured Medicare Advantage plan through Humana and

There was some discussion of how billing and reimbursements will work, the plan design for the Medicare Advantage plan, which would be Metro's plan design as determined by the Board, the formulary and any complaints of a particular drug not being covered under Humana.

It was noted that everyone who is eligible for Medicare is required to take parts A & B as a requirement of Metro regardless of what plan they are in and that the majority of pensioners with Humana are already seeing a provider that accepts Medicare assignment.

Angela Watts reviewed how Metro's PPO plan works for pensioners with Medicare and out of pocket maximums, and that members pay less for most services under the Medicare Advantage plan versus the PPO and Choice Fund. She also reviewed a comparison of what members pay for services in each of Metro's plans.

There was some discussion regarding premiums for the Medicare Advantage plan and who sets those rates.

Angela Watts stated that Humana reviews the plan design along with the Federal reimbursements for Medicare part A and B and the rates are then set.

There were some questions regarding appeals and how they are handled.

Larry Loew, Humana, stated that they handle the initial appeal which is mandated by CMS and any subsequent steps after the initial appeal go to an independent 3rd party that is contracted by CMS.

It was also noted that Metro Human Resources staff is not aware of any appeals at this time.

There was some discussion regarding Medicare Advantage plans being subsidized by the Federal Government and if the subsidy goes away how it would affect the member.

Angela Watts stated that if original Medicare goes away this would be a dramatic impact to all age 65 plus and the plan would just go away as a result of that and everything would have to be evaluated by the Board and addressed accordingly.

Dan Plante, Humana, stated that there have been and continue to be subsidies for the Medicare Advantage plans under health care reform. He stated that back in 2003 there was a reduction in the subsidy that is set to sunset after 2022. He stated that unless that is extended the subsidies are scheduled to increase again.

It was noted that is there any reason for Metro to have any information regarding Humana appeals when they don't come to Metro but go directly to Humana and subsequently CMS.

Tracey Garrison, Humana, stated that appeals are not reported on a regular basis to Metro, however, it can be done if the Board desires. She stated these items are resolved through the standard process. She also stated that if members were not satisfied with the resolution through the appeal process, Metro would hear about it and at that point Humana would work with HR to resolve the issue.

There was some discussion regarding the Board receiving information on appeals made to Humana.

Angela Watts reviewed the plan comparisons with the in and out of network, deductibles, out of pocket maximums, and co-pays.

At this time, it was noted that Christina Hickey had received an email and a phone in caller with a question regarding this issue and how the Board wanted to handle this.

The caller's question was in regards to the Medicare Advantage plan and if they have an original Medicare plan with the PPO plan and will she be required to switch to the Medicare Advantage plan.

Angela Watts stated that the recommendation from the Study & Formulating Committee is that pensioners age 65 and over and their dependents that are also 65 and Medicare eligible to be enrolled in the Medicare Advantage plan through the process of annual enrollment. She stated that at this point and time the answer is no and it is up to the Board when its decided. She stated that if the Board proceeds with the recommendation if you are age 65 and Medicare eligible (and dependents are also) then you will be automatically enrolled.

Shannon Hall, Director, Human Resources, stated that it is specific to each member and asked if the member has single or family coverage. She stated that since the member has single coverage and if this proposal is adopted by the Board and implemented in 2023 the answer would be yes she would be switched to the Medicare Advantage plan offered by Metro.

Christina Hickey stated that the email was also from this caller.

It was noted that if this is adopted by the Board those pensioners who are Medicare eligible and all of the dependents on the coverage of the member are also Medicare eligible would be automatically switched.

There was some discussion of those that would be affected when a decision is made, and HR staff indicated that they would get that information for the Board.

Councilwoman Sharon Hurt addressed the Board regarding the Medicare Advantage plan. She questioned when a member would have to switch if they became Medicare eligible for instance tomorrow would it be automatic.

Ginger Hall, Human Resources, Assistant Director, stated that the changes would be effective with the beginning of the plan year.

There was also some discussion on the effective date if this is adopted, the medical plan request for proposal and approval by Council.

There was some discussion regarding plan costs with more members being covered and the request for proposal making it competitive based on data, the impact on the remaining plans, the OPEB liability and the pensioners being able to have a choice.

Angela Watts further reviewed the plan comparisons of the Metro Medicare Advantage plan with in and out of network benefits.

There was some discussion of Metro's percentage of the annual contribution that retirees pay to the cost of the plan.

It was noted that Metro pays 75% and the pensioner pays 25%, however, with the legislation that was passed effective 1/1/2013 that says anyone hired after that date will actually have a different cost sharing for their retiree healthcare contributions based on years of service. Therefore, it will not be the 75/25 like it is for those vested prior to that time.

There was some discussion of the reimbursement rates for specific types of services and testing.

There was also some discussion of annual premium increases and how the plan design will be determined.

There was some discussion of the impact of this recommendation on the OPEB liability, savings to Metro and the pensioner and other peer cities that have made this type of change.

Joe Meyers, Findley, stated that there is a future savings of \$1.1 billion if everyone goes to it and the 40% that are already enrolled may have already saved Metro about 800 million.

Angela Watts stated that there are peer cities that have eliminated coverage at age 65 altogether and the majority offer a Medicare Advantage plan. She also stated that over 1/3 of all Medicare enrollees nationally are enrolled in a Medicare Advantage plan and it is projected that upwards of 50% of all Medicare enrollees will be in a Medicare Advantage plan in the next 7-8 years.

There was some discussion regarding educating pensioners about the Medicare Advantage plan.

After some discussion of the timeline to make a decision on this recommendation and having to release a request for proposal, the Board was in agreement they would not discuss any other recommendations from the Study & Formulating Committee final report today and having another Special Called meeting to further discuss the recommendation on the Medicare Advantage plan.

With nothing further presented, the meeting adjourned at 12:04 p.m.

ATTEST:

APPROVED:

Shannon B. Hall, Director
Human Resources

Edna J. Jones, Chair
Employee Benefit Board